

Message Text

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44

ACTION EB-11

INFO OCT-01 EA-11 NEA-10 ISO-00 COME-00 INT-08 SCEM-02

SCI-06 OMB-01 TRSE-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 OPIC-12 DRC-01 /173 W

----- 014757

R 031026Z DEC 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9506

INFO AMEMBASSY JIDDA

C O N F I D E N T I A L MANILA 13415

E.O. 11652: GDS

TAGS: ENRG, RP

SUBJECT: MOBIL NEGOTIATIONS WITH GOP ON FUTURE OF BATAAN
REFINERY CORPORATION

REF: A) MANILA 13205; B) MANILA 12955

1. MOBIL MANAGER WALES STATES HE TAKING FIRM POSITION
WITH GOP THAT ONLY ARRANGEMENT MOBILE WILL VOLUNTARILY
ENTER INTO WITH GOP FOR REORGANIZATION OF BATAAN
REFINERY CORPORATION (BRC) IS 50-50 OWNERSHIP THROUGH
MOBILE PURCHASE OF 7 PERCENT SHAREHOLDING FROM ESSO
AND MOBILE ASSUMPTION OF MANAGEMENT CONTRACT TO OPERATE
REFINERY.

2. WALES STATES MOBIL IS APPROACHING SAUDI GOVERNMENT
DIRECTLY TO GET ASSURANCE THAT 50-50 REFINERY OWNERSHIP
WILL NOT BAR PHILIPPINE NATIONAL OIL COMPANY (PNOC)
FROM RECEIVING SAUDI CRUDE BY DIRECT SALE FOR PROCESSING IN
BRC. PNOC CRUDE PURCHASE WOULD SUPPLEMENT
ESSO'S THREE YEAR CRUDE SUPPLY CONTRACT (REF A PARA 4),
WHILE MOBIL WOULD CONTINUE BRING IN ITS OWN CRUDE FOR
PROCESSING TO MEET REQUIREMENTS OF ITS MARKETING
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OPERATIONS.

3. WALES IS DISTURBED BY MESSAGES FROM SENIOR GOP OFFICIALS INDICATING THAT GOP IS NOW SEEKING 60 PERCENT OWNERSHIP OF BRC THROUGH PURCHASE OF 3 PERCENT SHAREHOLDING FROM MOBIL. WALES STATES THIS IS UNACCEPTABLE TO MOBIL, AND GOP WOULD HAVE TO NATIONALIZE MOBIL SHAREHOLDINGS IN ORDER TO FORCE MOBIL TO AGREE TO LESS THAN 50 PERCENT OWNERSHIP.

4. WALES HAS SENT TO GOP DRAFTS OF DOCUMENTS REQUIRED TO REORGANIZE BRC ON 50-50 BASIS AND IS AWAITING GOP RESPONSE.

5. MEANWHILE, ESSO HAS PUBLISHED NOTICE IN MANILA PRESS THAT IT WILL CEASE OPERATIONS IN THE PHILIPPINES ON DECEMBER 31, 1973. ESSO MANAGER WALES PREDICTS ACTUAL CESSATION OF OPERATIONS BEFORE THAT DATE.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, PETROLEUM REFINING, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MANILA13415
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731249/aaaabkej.tel
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Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
Previous Channel Indicators:
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Previous Handling Restrictions: n/a
Reference: NERY CORPORTATION
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Review Comment: n/a
Review Content Flags:
Review Date: 06 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Dec-2001 by cunninfx>; APPROVED <21-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
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EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005